WIRELESS TELECOMMUNICATIONS BUREAU

FACT SHEET

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BROADBAND PCS FACT SHEET

What is Broadband PCS?

Broadband Personal Communications Services (Broadband PCS) is broadly defined by the Federal Communications Commission as "radio communications that encompass mobile and ancillary fixed communication services that provide services to individuals and businesses and can be integrated with a variety of competing networks." For example, PCS phone service could be used to connect to subscribers on both cellular and wireline networks. Broadband PCS could also be used in the development of more advanced cellular phone services which would be able to pinpoint the subscriber in any given locale. The frequency would allow the signal to be transmitted a greater distance and in this case, would "roam" with the subscriber. This would eliminate the need for many different phone lines (i.e. car phones) and would probably be much less costly.

Broadband PCS uses a wider portion of the spectrum than Narrowband PCS. Broadband PCS will most likely be used to provide a variety of mobile services including an entire family of new communications devices utilizing very small, lightweight, multi-function portable phones, portable facsimile and other imaging devices, new types of multi-function cordless phones, and advanced devices with two-way data capabilities.

Broadband PCS systems will be able to communicate with other telephone networks as well as with personal digital assistants, allowing subscribers to send and receive data and/or video messages without connection to a wire.

Broadband PCS is in the 2 GHz band of the electromagnetic spectrum, from 1850 to 1990 MHz. The spectrum allocated for Broadband PCS totals 140 MHz; 20 MHz in that block is reserved for unlicensed spectrum.

Potential of PCS

The FCC's auctions of Broadband PCS licenses helped kick off an entirely new industry. Analysts predict that within ten years, there could be 100 million wireless telephone subscribers - an increase of more than 80 million. The creation of this new industry is estimated to generate tens of billions of dollars of future investment. Hundreds of thousands of new jobs will also be created.

Competition in the PCS industry will benefit consumers and businesses. The FCC's licensing plan for this spectrum provides for up to four new full service providers of wireless services in each market. Consumers will be able to choose from multiple providers and will receive lower prices and better service as a result. Businesses will increase their productivity and enhance efficient delivery of products because they will have greater choice among service providers and more advanced telecommunications services. Businesses also will benefit by providing a supporting role to this new industry, in construction of infrastructure, software development, etc.

Broadband Spectrum Breakdown: Auctions

The Commission has divided the 120 MHz of spectrum allocated to Broadband PCS into six frequency blocks (A through F). Blocks are divided into either Major Trading Areas (MTAs) or Basic Trading Areas (BTAs), which are based on the Rand McNally Commercial Atlas and Marketing Guide.

There are 51 MTAs and 493 BTAs in the United States, including the District of Columbia, American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands.

Following is a breakdown of Broadband PCS spectrum:

BLOCK NAME	MHz SIZE	GEOGRAPHIC BREAKDOWN	DATE OF AUCTION
BLOCK A	30 MHz	MTA	December 5, 1994
BLOCK B	30 MHz	MTA	December 5, 1994
*BLOCK C	30 MHz	BTA	TBD
BLOCK D	10 MHz	BTA	TBD
BLOCK E	10 MHz	BTA	TBD
*BLOCK F	10 MHz	BTA	TBD
* Entrepreneurs' Block	**TOTAL: 120 MHz**		

To date, the FCC has auctioned 60 of the 120 MHz of spectrum allocated for Broadband PCS. The A and B block licenses, which are 30 MHz each, were offered in the FCC's first Broadband PCS auction. The auction ran from December 5, 1994 through March 13, 1995 and raised $7.7 billion for the United States Treasury.

The C block auction for 30 MHz of spectrum in BTAs is expected to be the Commission's next Broadband PCS auction.

Blocks D, E, and F, which contain 10 MHz each, will be auctioned next year.

What is the Entrepreneurs' Block?

The C and F blocks of Broadband PCS spectrum have been named the "Entrepreneur's Blocks". The auction for PCS licenses in these frequency blocks is limited to smaller sized businesses that fall under certain financial caps.

In granting the FCC authority to auction licenses, Congress directed the Commission to develop specific provisions to provide opportunities for women, minorities, small businesses and rural telephone companies to participate in these auctions. The Commission developed a number of provisions for the different auctions designed to help these groups (referred to in the legislation as "designated entities") to attract capital.

Eligibility to bid on these licenses is limited to firms whose gross revenues have been less than $125 million in each of the last two years, and whose total assets do not exceed $500 million. In addition, bidding credits and installment payment plans are available for certain bidders on all Entrepreneurs' Block licenses.

For further information, contact (202) 418-1400.